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OFFICE OF
LEGISLATIVE AUDITOR
STATE OF LOUISIANA
BATON ROUGE, LOUISIANA 70804-9397

1600 NORTH THIRD STREET
POST OFFICE BOX 94397
TELEPHONE: (225) 339-3800
FACSIMILE: (225) 339-3870

STEVE J. THERIOT, CPA
LEGISLATIVE AUDITOR

September 17, 2007

To Whom It May Concern:

This report is not an audit performed in accordance with generally accepted *Government Auditing Standards* nor was it prepared by an independent Certified Public Accountant.

This report was submitted by Department of Agriculture employees whose work was not supervised by a CPA or the Legislative Auditor.

Sincerely,

Steve J. Theriot, CPA
Legislative Auditor

SJT:JSI:ss

[SOILANDWATER]



LOUISIANA DEPARTMENT OF AGRICULTURE & FORESTRY
BOB ODOM, COMMISSIONER



CONFIDENTIAL ASSISTANTS

LUKE A. THERIOT
T. TYSON "TY" BROMELL, II

December 21, 2006

ASSISTANT
COMMISSIONERS

**Agricultural &
Environmental Sciences**
Matthew Keppinger, III
P.O. Box 3596
Baton Rouge, LA 70821
(225) 925-3770
Fax: 925-3760

**Agro-Consumer
Services**
Benjamin Rayburn
P.O. Box 3098
Baton Rouge, LA 70821
(225) 922-1341
Fax: 923-4877

**Animal Health
Services**
Malcolm G. Myer
P.O. Box 1951
Baton Rouge, LA 70821
(225) 925-3962
Fax: 925-4103

Forestry
Paul D. Frey
P.O. Box 1628
Baton Rouge, LA 70821
(225) 925-4500
Fax: 922-1356

**Management
& Finance**
Skip Rhorer
P.O. Box 3481
Baton Rouge, LA 70821
(225) 922-1255
Fax: 925-6012

Marketing
Bryce Malone
P.O. Box 3334
Baton Rouge, LA 70821
(225) 922-1277
Fax: 922-1289

**Soil & Water
Conservation**
Bradley E. Spicer
P.O. Box 3554
Baton Rouge, LA 70821
(225) 922-1269
Fax: 922-2577

Mr. Sidney Bowles, Chairman
Lafayette Soil and Water Conservation District
Whitney National Bank Bldg., Suite 310
905 Jefferson Street
Lafayette, LA 70501-7913

Dear Mr. Bowles:

Attached is the Lafayette Soil and Water Conservation District Audit Report for the year ending June 30, 2006. As you can see, the audit was completed with no citations.

We appreciate the continued effort of your district to keep the district running within the guidelines set forth by State Law.

Sincerely,

Bradley E. Spicer
Assistant Commissioner

BES:le

Attachment
cc: Bennie Tate (2)

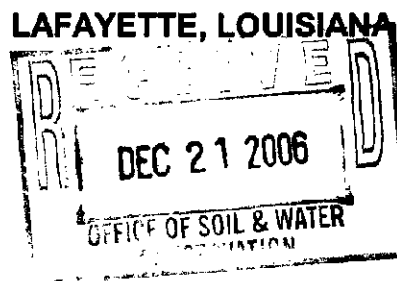
Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 9/26/07

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**LOUISIANA DEPARTMENT OF AGRICULTURE AND FORESTRY
AUDIT DIVISION**

LAFAYETTE SOIL AND WATER CONSERVATION DISTRICT



REPORT NO. 06-28-22

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006**

LOUISIANA DEPARTMENT OF AGRICULTURE AND FORESTRY
AUDIT DIVISION

REPORT NO. 06-28-22

LAFAYETTE SOIL AND WATER CONSERVATION DISTRICT
LAFAYETTE, LOUISIANA

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LOUISIANA DEPARTMENT OF AGRICULTURE AND FORESTRY
AUDIT AND EVALUATION SECTION

December 21, 2006

Lafayette Soil and Water Conservation District
Whitney National Bank Building, Suite 310
905 Jefferson Street
Lafayette, La. 70501-7913

RE: AUDIT REPORT FOR FISCAL YEAR ENDING JUNE 30, 2006

Dear Board of Supervisors:

The audit and evaluation section of the Louisiana Department of Agriculture and Forestry (department) has conducted an audit of your district, including the district's accounts of receipts and disbursements for the fiscal year stated above. The purpose of the audit is to fulfill the statutory duty of both the State Soil and Water Conservation Committee (committee) and the department, as required by La. R. S. 3:1204(C)(3). The audit was conducted in accordance with policies and guidelines established by the committee and this department. The department believes that the audit provides a reasonable basis for this report. This report and the attached audit shall be filed with the legislative auditor as required by La. R. S. 3:1204(C)(3).

This department, therefore, is reasonably assured that the operation of the district and the conduct of its affairs are in substantial compliance with applicable law, regulations, and policies and that the assets of the district are controlled and safeguarded, except as provided herein.

[NOTE ANY EXCEPTIONS]

DISCLAIMER: The audit of the district was conducted by and this report was prepared by a public employee, who is not a certified public accountant, in the performance of that person's duties as a public employee. The audit and this report are designed to be used for Louisiana state government purposes only. Accordingly, the audit and this report are not designed for those who are not informed about such matters.

Sincerely,



Mark A. Tillman
Audit and Evaluation Director

**LOUISIANA DEPARTMENT OF AGRICULTURE AND FORESTRY
AUDIT DIVISION**

REPORT NO. 06-28-22

REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

Management of the Lafayette Soil and Water Conservation District is responsible for the District's compliance with state and local regulations. As part of our audit, we selected and tested transactions and records to determine the extent to which the Lafayette Soil and Water Conservation District complied with material laws and regulations of the State of Louisiana.

Our testing of transactions and records disclosed no instances of noncompliance.

Exhibit A**Audited Combined Balance Sheet**

	General Fund	Gen. Fixed Asset Group	Fund Balance 2006	Fund Balance 2005
<hr/>				
ASSETS				
Cash	\$9,747.23		\$9,747.23	\$14,427.51
Petty Cash	\$0.00		\$0.00	\$0.00
Accounts Receivable	\$1,085.00		\$1,085.00	\$1,169.00
Money Market	\$0.00		\$0.00	\$0.00
Certificate Of Deposit	\$21,478.12		\$21,478.12	\$29,478.12
Savings	\$0.00		\$0.00	\$0.00
Prepaid Insurance	\$16.67		\$16.67	\$16.67
Prepaid Maintenance	\$0.00		\$0.00	\$0.00
Furniture & Equipment		\$8,586.80	\$8,586.80	\$8,586.80
 TOTAL ASSETS	 \$32,327.02	 \$8,586.80	 \$40,913.82	 \$53,678.10
 LIABILITIES				
Accounts Payable	\$5,718.88		\$5,718.88	\$0.00
Accrued Salaries	\$1,954.88		\$1,954.88	\$1,759.14
Accrued Deferred Compensation	\$97.74		\$97.74	\$0.00
Accrued FICA	\$143.87		\$143.87	\$128.90
Accrued Retirement	\$0.00		\$0.00	\$0.00
Accrued Leave	\$7,376.89		\$7,376.89	\$6,714.23
Due to LDOAF	\$0.00		\$0.00	\$0.00
 TOTAL LIABILITIES	 \$15,292.26	 \$0.00	 \$15,292.26	 \$8,602.27
 FUND EQUITY				
Fund Bal.-Res.-Group Insurance	\$0.00		\$0.00	\$0.00
Fund Bal.-Res.-Other Insurance	\$16.67		\$16.67	\$16.67
Fund Bal.-Res.-Maintenance	\$0.00		\$0.00	\$0.00
Fund Bal.-Unreserved	\$17,018.09		\$17,018.09	\$36,472.36
Investments in G. F. A.		\$8,586.80	\$8,586.80	\$8,586.80
 TOTAL FUND EQUITY	 \$17,034.76	 \$8,586.80	 \$25,621.56	 \$45,075.83
 TOTAL LIABILITIES & FUND EQUITY	 \$32,327.02	 \$8,586.80	 \$40,913.82	 \$53,678.10

The accompanying notes are an
integral part of this statement.

EXHIBIT B**STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE**

	GENERAL FUND 2006	GENERAL FUND 2005
<hr/>		
REVENUE		
Area Meeting	\$0.00	\$0.00
CRP	\$0.00	\$0.00
Farm Bill	\$7,146.00	\$8,205.00
Interest	\$842.76	\$540.36
Local Funds	\$10,000.00	\$10,000.00
Miscellaneous	\$0.00	\$505.00
Rent	\$0.00	\$0.00
Sale of Equipment	\$0.00	\$0.00
Special Project	\$0.00	\$3,000.00
Stakes/Flags	\$0.00	\$0.00
State Funds	\$27,253.00	\$28,570.00
WRP	\$0.00	\$0.00
TOTAL REVENUES	\$45,241.76	\$50,820.36
EXPENDITURES		
Annual Report	\$0.00	\$0.00
Area Meeting	\$135.00	\$0.00
Awards/Contests/Promotions	\$55.00	\$574.20
Bank Charges	\$0.00	\$0.00
Board Meetings-per diem	\$1,175.00	\$1,075.00
Board Meetings-mileage	\$0.00	\$71.68
Dues & Subscriptions	\$0.00	\$700.00
Equipment	\$55.17	\$0.00
Field Supplies	\$0.00	\$114.91
Insurance-group health	\$12,255.04	\$8,664.28
Insurance-other	\$3,134.00	\$1,875.00
Insurance-unemployment	\$0.00	\$0.00
Maintenance & Repairs	\$0.00	\$0.00
Miscellaneous	\$0.00	\$0.00
Office Supplies	\$45.63	\$0.00
Postage	\$18.60	\$42.87
Rent	\$0.00	\$0.00
Rentals	\$0.00	\$0.00
Salaries	\$41,152.74	\$44,311.89
Deferred Compensation	\$2,633.25	\$0.00
FICA	\$3,395.09	\$3,459.33
Retirement	\$0.00	\$0.00
Stakes/Flags	\$0.00	\$0.00
Telephone	\$0.00	\$0.00
Travel	\$0.00	\$0.00
TOTAL EXPENDITURES	\$64,054.52	\$60,889.16
Excess (deficiency) of Revenue over Expenditures	(\$18,812.76)	(\$10,068.80)

The accompanying notes are an
integral part of this statement.

EXHIBIT C**STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE**

	GENERAL FUND 2006	GENERAL Fund 2005
Fund Balance-Unreserved Beginning of the year	\$36,472.36	\$46,121.16
Excess (deficiency) of Revenue over Expenditures	(\$18,812.76)	(\$10,068.80)
Less: Prior Period Adjustment/Transfer	(\$641.51)	\$420.00
Less: Establish F. B.-Reserved for Other Insurance	\$0.00	\$0.00
Less: Establish F. B. -Reserved for Maintenance	\$0.00	\$0.00
Fund Balance-Unreserved End of the Year	<u>\$17,018.09</u>	<u>\$36,472.36</u>

OTHER FINANCING SOURCES

Fund Balance-Reserved for Group Insurance (Beg. Balance)	\$0.00	\$729.04
Plus: Paid-in by Supervisors	\$11,866.72	\$9,809.92
Less: Paid-out by District	(\$11,866.72)	(\$10,538.96)
Less: Prior Period Correction	\$0.00	\$0.00

Fund Balance Reserved for Group Insurance (Ending Balance)	<u>\$0.00</u>	<u>\$0.00</u>
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Fund Balance-Reserved for Other Insurance (Beg. Balance)	\$16.67	\$16.67
Plus: Paid-in	\$3,134.00	\$1,875.00
Less: Paid-out	(\$3,134.00)	(\$1,875.00)

Fund Balance Reserved for Other Insurance (Ending Balance)	<u>\$16.67</u>	<u>\$16.67</u>
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Fund Balance-Reserved for Maintenance (Beg. Balance)	\$0.00	\$0.00
Plus: Paid-in	\$0.00	\$0.00
Less: Paid-out	\$0.00	\$0.00

Fund Balance Reserved for Maintenance (Ending Balance)	<u>\$0.00</u>	<u>\$0.00</u>
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The accompanying notes are an
integral part of this statement.

**LOUISIANA DEPARTMENT OF AGRICULTURE AND FORESTRY
AUDIT DIVISION**

REPORT NO. 06-28-22

LAFAYETTE SOIL AND WATER CONSERVATION DISTRICT

LAFAYETTE, LOUISIANA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Louisiana Legislature created the Lafayette Soil and Water Conservation District. The District primarily assists farmers and other land users in the wise use of their lands and the prevention of erosion of farm and urban land and the pollution of waters in the state. The governing board of supervisors administers the operations and responsibilities of the District in accordance with Louisiana Statutes. The board is comprised of five members.

In April 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. In November, 1984, the GASB issued a codification of governmental accounting and financial reporting standards. This codification and subsequent pronouncements are recognized as generally accepted accounting principles for state and local governments.

The financial statements of the Lafayette Water Conservation District are prepared in accordance with the standards established by the GASB. GASB Codification Section 2100 established criteria for determining the governmental reporting entity to be the Lafayette Water Conservation District. The accompanying statements present information only as to the transactions of the District.

A. FUND ACCOUNTING

The financial statements of the Lafayette Soil and Water Conservation District

**LOUISIANA DEPARTMENT OF AGRICULTURE AND FORESTRY
AUDIT DIVISION**

REPORT NO. 06-28-22

are presented as if the accounts were organized on the basis of funds and account groups, each of which would be considered a separate accounting entity. Since the District has no financial resources, which are required to be accounted for in other funds, only a general operating fund was used.

B. FIXED ASSETS

Fixed assets used in the governmental fund type operations are accounted for in the General Fixed Assets account group, rather than the Governmental Fund. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

This account group is not a "fund." It is concerned with the measurement of financial position, not with measurement of operations.

C. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The records are maintained on a cash basis and the accompanying financial statements have been converted to a modified accrual basis of accounting using the following practices:

(1) Revenue

State Funds are recorded when the District is entitled to the funds.

Newsletter sponsors and equipment rental are recorded in the year earned.

Interest income on time deposits is recorded when the deposits have matured and the income is available.

**LOUISIANA DEPARTMENT OF AGRICULTURE AND FORESTRY
AUDIT DIVISION**

REPORT NO. 06-28-22

Rents and royalties are recorded in the year earned.

Subsequently all other revenues are recorded when received.

(2) Expenditures

Expenditures were recognized in the accounting period in which the liabilities are both measurable and incurred.

D. BUDGETARY PRACTICES

A budget was submitted to the Office of Soil and Water Conservation, Louisiana Department of Agriculture and Forestry. State Funding for the year was based upon the allocation procedures established in the program rules and regulations.

E. ANNUAL AND SICK LEAVE

Employees earn and accumulate annual and sick leave at various rates depending on their years of service. Unused annual and sick leave accumulates without limit. The number of hours of unused annual leave for which an employee may receive a lump sum payment upon termination from District employment may not exceed 300 hours.

At June 30, 2006 (fiscal close), the Lafayette Water Conservation District had accumulated and vested \$17,018.09 in leave privileges, required to be accrued under SFAS 43. Current year expenditures for salary and leave privileges total \$43,785.99.

**F. PENSION PLAN
SOCIAL SECURITY BENEFITS**

Substantially all employees of the Lafayette Soil and Water Conservation District

**LOUISIANA DEPARTMENT OF AGRICULTURE AND FORESTRY
AUDIT DIVISION**

REPORT NO. 06-28-22

are members of the Social Security System. The Employee contribution was 7.65% of gross salary from July 1, 2005 through June 30, 2006. The District Contributed an additional 7.65% of gross salary from July 1, 2005 through June 30, 2006. The District does not guarantee the benefits granted by the Social Security System.

2. CHANGES IN GENERAL FIXED ASSETS

The General Fixed Assets of the Lafayette Soil and Water conservation district remained the same for the year ended June 30, 2006.

LOUISIANA DEPARTMENT OF AGRICULTURE AND FORESTRY
AUDIT DIVISION

REPORT NO. 06-28-22

4. COMPENSATION PAID TO BOARD MEMBERS

The schedule of compensation paid to the Lafayette Soil and Water Conservation Supervisors is presented in compliance with House Concurrent Resolution No. 54 of the 1970 Session of the Louisiana Legislature. Compensation of the Lafayette Soil and Water Conservation District Supervisors is included in the general administrative expenditures of the General Fund. Members of the governing board receive compensation pursuant to Louisiana Revised Statute 3:1207.

PER DIEM/MILEAGE PAID TO BOARD MEMBERS
FOR THE YEAR ENDING JUNE 30, 2006

BOARD MEMBER	MEETINGS REIMBURSED	PER DIEM	MILEAGE	TOTAL AMOUNT
Sydney J. Bowles, Jr.	10	\$ 250.00	\$0.00	\$ 250.00
Douglas Foreman	10	\$ 250.00	\$0.00	\$ 250.00
Eugene Landry	10	\$ 250.00	\$0.00	\$ 250.00
Eddie Lewis	8	\$ 200.00	\$0.00	\$ 200.00
Weston Kilchrist	9	\$ 225.00	\$0.00	\$ 225.00
	TOTALS	\$1,175.00	\$0.00	\$1,175.00

TOTAL NUMBER OF BOARD MEETINGS DURING THE YEAR WAS 10.

LOUISIANA DEPARTMENT OF AGRICULTURE AND FORESTRY
AUDIT DIVISION